

Dear State CSBG Administrators,

The Senate this week hopes to pass a \$138 billion package of tax extenders and “safety net” provisions, while also clearing for the President its initial jobs measure that the House returned late last week.

The “extenders” package currently before the Senate would address a number of Democratic concerns by providing further Medicaid aid to states for six months while also extending unemployment benefits and health insurance subsidies for laid off workers until the end of the year. Passage of this bill (HR 4213) could come as early as Tuesday, after the Senate votes on whether to shut off debate on the measure.

If necessary, Senator Reid (D-NV) has stated that he also may file cloture this week to clear the Senate’s initial jobs measure, which was modified last week by the House and now totals \$17.6 billion in tax incentives. The centerpiece of that bill (HR 2847) is payroll tax relief for businesses that hire unemployed workers and an extension until the end of the year of federal highway and aviation programs. The House modified the bill last week so that it complies with internal House and Senate pay-as-you-go rules, and in the process made several other changes that increased its price from the Senate-passed \$15 billion level. (*Source: Congressional Quarterly*)

We will keep you informed as things progress.